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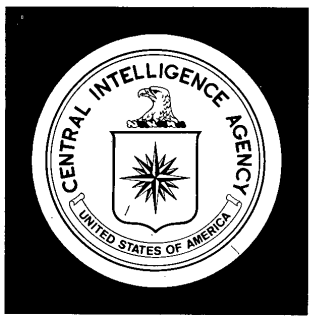

The President's Daily Brief

27 September 1973

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THE PRESIDENT'S DAILY BRIEF

27 September 1973

PRINCIPAL DEVELOPMENTS

Prime Minister Souvanna Phouma and Pathet Lao negotiator Phoumi Vongvichit are grappling with the practical problems of implementing the September 14 protocol. *(Page 1)*

In Chile, the junta has rebuffed efforts by some Christian Democrats to persuade the military to modify its activities. *(Page 2)*

The reported appointment of more leftists to high government positions in Afghanistan would appear to weaken President Daud's position vis-a-vis his opponents--the left-wing military officers who staged the coup and who are on the ruling Central Committee. *(Page 3)*

The arrest of labor leaders in Bolivia apparently is a move to prevent the formation of any coalition between these political independents and the opposition parties while President Banzer is in the US next month. *(Page 3)*

Tokyo is considering the relaxation of controls on the inflow of foreign funds. *(Page 3)*

The strike at Iran's Abadan oil refinery ended yesterday without violence. *(Page 3)*

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LAOS

Prime Minister Souvanna Phouma and Pathet Lao negotiator Phoumi Vongvichit are grappling with the practical problems of implementing the September 14 protocol.

> *The Communists appear genuinely interested in working toward rapid implementation. Within 24 hours of the signing of the protocol, Phoumi was moving to iron out details.*

Before leaving Vientiane last week for Sam Neua, presumably for fresh instructions, Phoumi asked the Soviet and British embassies to reactivate the International Control Commission machinery to help set the protocol into operation. The Communists have not yet provided a list of their nominees for the cabinet, but Phoumi probably will bring such a roster with him when he returns from Sam Neua.

The Communists are insisting on adequate security arrangements before their personnel arrive. The first step in this process is the positioning of Pathet Lao police and military units in Vientiane. The first contingent of these forces reportedly is to arrive in Vientiane on October 8 aboard a Soviet transport.

Souvanna is lobbying among key National Assembly deputies to ensure approval of the peace agreement and the new coalition government. Obstructive tactics from some rightist politicians may delay formal investiture of the government, but Souvanna seems likely eventually to have his way.

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CHILE

The junta has rebuffed efforts by some Christian Democrats to persuade the military to modify its activities.

> *Although disheartened by the junta's response, the party is likely for the time being to continue its support of the government.*
>
> *Military repressiveness may well invite further internal problems and increased international criticism.*

The junta is concerned about its international image and is making efforts to improve it. At the same time, however, it is determined to prevent the left from regaining power. This policy was further evidenced by the banning of all Marxist parties and yesterday's decree "recessing" remaining political organizations as a means of promoting "national unity."

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NOTES

Afghanistan: Significant numbers of sympathizers and members of Parcham, the larger of two pro-Soviet factions in the Communist Party of Afghanistan, reportedly are among recent appointees to high government positions. These include top posts in education and economic development. Earlier reports had indicated that several persons on the ruling Central Committee and in the cabinet may be members of Parcham. An increase in this group's influence at key levels of the government would appear to weaken President Daud's position vis-a-vis his opponents--the left-wing military officers who staged the coup and who are on the Central Committee.

Bolivia: Widespread arrests of labor leaders have led to a strike by 40,000 workers. The government claims that those seized were involved in a subversive plot, but their main crime appears to have been persistent advocacy of wage hikes. The detentions appear to be a move to prevent the formation of any coalition between the politically independent union leaders and the opposition parties while President Banzer is in the US next month. In the long run, the arrests will probably weaken Banzer's already sagging government.

Japan: Tokyo is considering the relaxation of controls on the inflow of foreign funds. Monetary officials are confident that this can be done without stimulating speculative inflows. They base their thinking on a decline in foreign exchange reserves, six months of balance-of-payments deficits, foreign and domestic pressure for easing exchange controls, and stability on Tokyo's foreign exchange market since March. Any policy changes will come gradually, however, and the results will be closely monitored by Tokyo. A first step could be the removal of restrictions on investment in Japanese stocks by foreigners.

Iran: The strike at the government-owned Abadan oil refinery--the country's largest--ended yesterday without violence. Apparently included in the government's offer was an increase in the workers' daily food allowances.

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